

BUDGET & FINANCE COMMITTEE
of the
SUFFOLK COUNTY LEGISLATURE

Minutes

A regular meeting of the Budget & Finance Committee of the Suffolk County Legislature was held in the Rose Y. Caracappa Legislative Auditorium of the William H. Rogers Legislature Building, 725 Veterans Memorial Highway, Smithtown, New York on **March 22, 2005**.

MEMBERS PRESENT:

Leg. Michael Caracciolo, Chairman

Leg. Angie Carpenter, Vice•Chairman

Leg. Daniel P. Losquadro

Leg. Cameron Alden

Leg. William J. Lindsay

Leg. Peter O'Leary

Leg. Ricardo Montano

ALSO IN ATTENDANCE:

Mea Knapp, Counsel to the Legislature

Ilona Julius, Deputy Clerk

Gail Vizzini, Deputy Director of Budget Review

Maria Ammirati, Aide to Leg. O'Leary

Carl Yellon, Aide to Leg. Kennedy

Doug Sutherland, Aide to Leg. Carpenter

Ben Zwirn, Assistant Deputy County Executive

Jeanine Dillon, County Executive's Office

Bob Bortzfield, Budget Office, County Executive

Allen Kovesdy, County Executive Budget Office

Jacqueline Caputi, County Attorney's Office

Frank Tassone, Aide to Majority Leader

Linda Bay, PO's Office

Cheryl Felice, AME

Anne Abel, AME

Lisa Keyes, Aide to Leg. Caracciolo
Paul Perillie, Minority Leader Aide
Terry Pearsall, Aide to Leg. Lindsay
Fran Seims, PO's Office
James Clark, Lloyd Harbor
Supervisor McGintee, East Hampton
Supervisor Horton, Southold
Supervisor Heaney, Southampton

MINUTES TAKEN BY:

Diana Kraus, Court Stenographer

MINUTES TRANSCRIBED BY:

Kimberly Castiglione, Legislative Secretary

(THE MEETING COMMENCED AT 9:41 AM)

CHAIRMAN CARACCIOLO:

It's 9:30 AM. Do know where your Legislators are?

LEG. ALDEN:

AM, do you know where your Chairman of the Budget Meeting is?

CHAIRMAN CARACCIOLO:

Will those in the auditorium come to order and then please rise for the salute to the flag to be led by Legislator William Lindsay.

(SALUTATION)

CHAIRMAN CARACCIOLO:

Thank you. Please be seated. As we settle down I would like to request that everyone please rise for a moment of silence. We in the Legislature learned yesterday that a former Clerk to the Legislature, Elisabeth Betty Taibbi, passed away yesterday. I would request that you bow your

head in silence, a moment of prayer and reflection on her behalf.

(MOMENT OF SILENCE OBSERVED)

CHAIRMAN CARACCILOLO:

Thank you. Okay. The Chair recognizes that all members are present, including Legislator Lindsay, who right now is off the horseshoe but is here. We will begin today's meeting with the request of anyone in the audience that would like to address the committee on the public hearing that is still open, public hearing on 2219, **(Public Hearing regarding Intro. No. 2219•04, A Charter Law to provide fair and equitable distribution of public safety sales and compensating use tax revenues)** which would amend the •• it's a Charter Law to provide fair and equitable distribution of public safety revenue and sales compensating tax revenues, rather, to towns and villages in Suffolk County.

I don't have any cards, but I know there is a contingent of village town officials and chiefs present. So if you would, this is your opportunity to come and address the committee on this matter. Supervisor Heaney? You have to turn the mike on, Skip.

SUPERVISOR HEANEY:

I'm accustomed to being in your role.

CHAIRMAN CARACCILOLO:

I know you are.

SUPERVISOR HEANEY:

Good morning. How are you all?

CHAIRMAN CARACCILOLO:

I believe Legislator Schneiderman would welcome the opportunity to switch sides if he moved to Southampton. And I won't go there.

SUPERVISOR HEANEY:

He's been there, done that. I'm just going to take a moment to recognize some of the elected's here with me. We have Supervisor McGintee from East Hampton. We have Sag Harbor Mayor

Ed Deyermund with us. We have East Hampton Mayor Paul Rickenbach. We have Southampton Mayor Joe Romanosky. And I think that's the elected's. And then we have a very strong representation from the police departments of the various •• the towns and the villages on the east end.

We're here simply to express our strong support for this amendment. I can speak only from my own experiences that this proposal gives us a measure of financial predictability that previous to this effort really doesn't •• didn't exist.

I can tell you that three years ago in the Town of Southampton we received somewhat over a million dollars. The following year we received eight hundred and change. And last year, eight hundred and change. This year we're getting 917. There doesn't seem to be a rhyme or really a reason, a methodology. This at least locks in a predictable amount which is a baseline that we can move forward on.

I will tell you that police protection in the east end isn't getting cheaper. Our department today is 105 police officers and we provide full public safety dispatch not only for the town, but for a number of the villages within the Town of Southampton. So for us, to have some measure of predictability is very, very important. And we are just here to lend our strongest support to this proposal.

CHAIRMAN CARACCILO:

Are there questions from the members of the committee? You have a question?

LEG. O'LEARY:

Yes. I'm going to reserve most of my comments for during the debate on the bill itself, Skip. But I just wanted to point out that one of the things that I have some concern over, the language in the bill is, is the fact that the east ends towns and villages will receive a stable source of revenue. If this •• if this resolution goes through as written and proposed. And the district will fluctuate. So in other words, the way its been explained to me is that if, for the sake of discussion, if an east end town receives \$600,000 in any given year, the following year they can't get any less than that. It will always be that minimum number. It can only increase, not decrease.

But that's not the case with respect to the west end towns. They will fluctuate according to the, I guess, the various sales tax revenues. I just want to touch base with BRO on that. Is that an accurate •• is that the •• am I understanding?

MS. VIZZINI:

Generally, yes, you are correct.

LEG. O'LEARY:

Okay. I'll discuss it further during the debate on the bill itself. But I just wanted to point that out.

SUPERVISOR HEANEY:

It would seem to me that that reflects a fluctuation in economic activity.

LEG. O'LEARY:

Yes, exactly.

SUPERVISOR HEANEY:

So, it would seem to me that there would be justifiably a greater reliance on the property tax at that point in order to stabilize the fund.

LEG. O'LEARY:

But my point being for it to be totally fair and equitable, it should fluctuate for both sides, both the western towns and the eastern towns as well with respect to this particular revenue sharing.

SUPERVISOR HEANEY:

Well, I probably disagree with that.

LEG. O'LEARY:

Well, of course you would. There is a problem that I have with the fact that the west ends towns will continue to fluctuate, but the east end towns, if this is passed as written, will never receive less than they received the previous year.

SUPERVISOR HEANEY:

Would be helpful if I went over the number of services that we actually get in the Town of Southampton over the last two years for the contribution?

LEG. O'LEARY:

I understand that. I could understand that particular argument but ••

SUPERVISOR HEANEY:

If we're paying for something that essentially doesn't provide the services but we're paying for it, and we have our own police departments that are growing, because of growing population, and we provide a sizeable measure of the sales tax that is collected County wide, and then used for a part County district, it would seem to me that that should be considered also in the final decision making. All things are not equal.

LEG. O'LEARY:

Well, I don't want to get into the ••

SUPERVISOR HEANEY:

Okay.

LEG. O'LEARY:

•• totality of the picture about equalization of funds being distributed on a County•wide basis to various towns, etcetera, but it just strikes me as not being as fair and equitable as it could be. I mean, my basic question is why should the western towns fluctuate with respect to the monies received as a result of the sales tax revenue with respect to just this issue, just this on point. But the eastern towns and villages will not fluctuate. They will be stabilized and as per intent of this particular resolution, my understanding is that they will never ever receive anything less than the previous year, which is not the case in the western towns.

SUPERVISOR HEANEY:

Yes. I'll just submit the following.

LEG. O'LEARY:

Yes, all right.

SUPERVISOR HEANEY:

In the year 2000, the amount of assistance that the Town of Southampton received was equivalent to about 10% of its annual operating budget for the police department in the Town of Southampton. Last year the amount we received was about five percent of our operating budget. Since the year 2000 coming forward to 2004, there was never a year where sales tax revenues in the County went down. However, the assistance that we received went from a million•fifty thousand down to 888,000. Even though this last year you burst through the billion dollar ceiling on sales tax revenues. Yet proportionately the amount of assistance we're getting as that revenue increases is decreasing. So I would say that once again, all things are not equal.

LEG. O'LEARY:

Yeah, well, I mean, I agree there has to be an adjustment made to make the playing field level, so to speak.

SUPERVISOR HEANEY:

Okay.

LEG. O'LEARY:

But perspectively, once that is done, I don't see the good logic in making a revenue stream to the east end stable and not the same with the western towns. I mean, I agree that we have to make the playing field level, to make adjustments, to correct the deficiencies of the past. But once we do that, I don't agree that it should be written in stone that the eastern towns and villages will never receive less than they receive the previous year, which my understanding is the case. I think that has to be addressed.

SUPERVISOR HEANEY:

We'll continue to support that baseline. We think that that is a good, rationale move. Thank you.

CHAIRMAN CARACCILOLO:

If I could request from the Budget Review Office while we continue this discussion, if you can provide the committee in a few minutes with some information with regard to the dollar amount from 2000 to present that's been allocated for the Suffolk County Police District out of the one •eights of 1% dedicated sales tax for public safety. I know this year it was in excess of 60

million dollars, last year it was about 22 million. Can you tell us what it was for the three prior years so, again, we have some baseline of information. Do you have it ready, Robert?

MR. LIPP:

Well, I could say off the top of my head but that would be a lie, but I do have some numbers, yes.

CHAIRMAN CARACCILOLO:

Which year first?

MR. LIPP:

You want me to the start when, in 2000?

CHAIRMAN CARACCILOLO:

Yes.

MR. LIPP:

Okay. Overall for the towns and villages, almost 3.7 million in 2000. Approximately 3.75 million in 2001.

CHAIRMAN CARACCILOLO:

Right.

MR. LIPP:

Just under 3.0 million in 2002. The same, just under 3.0 million in 2003. 2004, the estimated number, I presume that's correct, but we don't have a final on that, is 3.1 million, so just a smaller increase. And adopted for 2005 the same 3.1 million.

CHAIRMAN CARACCILOLO:

And what was the corresponding figure for the police district?

MR. LIPP:

I could do that. In 2000 the police district received a fixed amount of almost 37.6 million, which was somewhere between the one•eighth and the one•quarter percent amount, but it was

a fixed amount that they received. So regardless of •• in 2000 regardless of how sales tax went, the police district received that sum certain. In 2001, then, they received an exact quarter percent, so that went up.

CHAIRMAN CARACCIOLO:

How much?

MR. LIPP:

How much was that? I don't know the dollar amount, but that was over \$50 million, I'm not sure exactly, in 2001. So we'll say a little bit over 50 million. 2002, it went all the way down to 5.2 million. In 2003 •• a fixed amount that is, once again. In 2003 it went up 14.3 million, once again a fixed amount. 2004, in also a fixed amount of 22.8, just under that. And then for this year a full quarter cent, which is budgeted at 64 million and change.

And just to make sure we all are on the same page, the police district can receive in any year, as a policy issue, anywhere between zero and a quarter cent. A quarter cent is supposed to go for public safety purposes, but that can be used entirely in the general fund, entirely in the police district or any combination. So, typically what we have done is we've •• as a policy issue we tend to give the police district money as we •• as it was seen fit in terms of what their finances were.

CHAIRMAN CARACCIOLO:

As a percentage in '00, would it be fair to say that the towns and villages received about 10% of what the County received? You had 3.7 million for towns and villages, 37.6.

MR. LIPP:

Yes.

CHAIRMAN CARACCIOLO:

The following year towns and villages received 3.75, the County police district received 50 million. What is the percentage there?

MR. LIPP:

Seven and a half percent.

CHAIRMAN CARACCILOLO:

The following year the towns received three million, the County police district received 5.2 million. What is the percentage there?

MR. LIPP:

Well, it's over 60 percent.

CHAIRMAN CARACCILOLO:

I just want to be fair, both ways.

MR. LIPP:

Yeah. Obviously it's fluctuating wildly.

CHAIRMAN CARACCILOLO:

And then in '03, three million versus 14.3.

MR. LIPP:

Twenty•one percent, roughly.

CHAIRMAN CARACCILOLO:

'04, 3.1 versus 22.8?

MR. LIPP:

That would be 13.6 percent.

CHAIRMAN CARACCILOLO:

And then, finally, this year 3.1 versus 64 million.

MR. LIPP:

That would be 4.8 percent.

CHAIRMAN CARACCILOLO:

What was the increase in the police district allocation of public safety dedicated funds from '04 to '05? You go from 22 million and 64 million. What is that increase?

MR. LIPP:

That was •• it's no good.

LEG. ALDEN:

Point of order.

CHAIRMAN CARACCILO:

Point of order on requesting some statistical information?

MR. LIPP:

Forty•two million.

CHAIRMAN CARACCILO:

How much?

MR. LIPP:

Forty•two million.

CHAIRMAN CARACCILO:

No, no, no. I know what the dollar amount is, what is the percentage increase?

MR. LIPP:

Oh, the percentage increase. Okay.

LEG. ALDEN:

I still have a point of order.

MR. LIPP:

That's 190.9 percent.

CHAIRMAN CARACCILO:

Okay. Legislator Alden, you're recognized.

LEG. ALDEN:

Are we still in the public hearing?

CHAIRMAN CARACCILOLO:

We are.

LEG. ALDEN:

Okay. Just as a suggestion to the Chair, you might to just see if our Clerks Office would put on the record if they published it and if they have the affidavits of publication with them, if that's all in order.

MS. JULIUS:

Yes, I do.

CHAIRMAN CARACCILOLO:

I like your hairdo.

MS. JULIUS:

Thank you.

CHAIRMAN CARACCILOLO:

It's very nice.

MS. JULIUS:

Yes, Mr. Chairman, the publications are duly filed and I have them on me.

CHAIRMAN CARACCILOLO:

Okay. I did notice that Supervisor Josh Horton arrived. Is he still •• there you are, Josh. Did you want to address the committee or how about Supervisor McGintee? Did either of you want to address •• or any of the chiefs. Anyone else want to address the committee on this public hearing? This is your opportunity. I know some of you traveled a long way, so.

SUPERVISOR HORTON:

Josh Horton, Supervisor, Town of Southold. Resident, Village of Greenport, 210 5th Street. Without belaboring, you know, the points at hand here, I've heard a lot of good feedback from many of the different legislators that are involved in this discussion. I appreciate the opportunities to correspond openly back and forth and receive measured thought on an item that is very important to myself and the people of Southold Town that I represent and as a point of matter that the entire County represents as well.

The information that I provided at the last public hearing, probably, what, about six weeks ago, stands. All the comments that I made at that point stand. My support for this resolution remains unwavering and I ask for the committee to do what I believe is the right thing and move this piece of legislation to the next step so the Legislature as a whole can have the opportunity to review it, debate it and hopefully bring this to a fair and equitable closure.

I also want to thank you for your time. I want to reiterate my support. My comments were made on the record and I believe I also handed in written remarks at the last public hearing and I'd like those resubmitted for this public hearing as well. And Legislator Caracciolo, thank you for your time and your efforts in bringing it, this important issue, to this stage of the debate. I think it's important.

One thing that I've heard, you know, it's valid in a broader discussion, valid points made in a broader discussion, but again, not germane to the specific discussion, that is the distribution of funds for land preservation and Greenways monies. And, you know, I can see that point of view. This is a very different and specific argument that is being made here. And Supervisor Heaney spelled this out very clearly and I think I did so in my last presentation.

I would just ask that in the debate, in this discussion and in your personal thought, moving forward that this be viewed specifically and not in a broader light because we use the term in politics quite often, mixing apples and oranges. And I think mixing that conversation up into •• into a broader picture is like •• is mixing apples and oranges. And, you know, I won't even get into the amount that the Town of Southold or the east end as a whole puts forward into the Suffolk County sales tax coffers. The numbers do speak for themselves, and we're just simply asking for a fair calculation and distribution of those funds.

So, thank you for your time and I appreciate you taking this up and I am confident that each of

you will see through to make a measured and fair vote on this matter.

CHAIRMAN CARACCILO:

Supervisor, before you step away, one of the issues that came up just a few minutes ago was this issue of fairness and equitability across the board. And as I understand that point, if the towns and villages were to see an increase, or let me go back. If we established a baseline, a hold harmless amount, much as school district receive from the state, they can't get less than the previous years state aid, we established that, and then going forward, in terms of actual sales tax receipts •• now, they have been substantially increasing over the last five years, but if we were to see a decline, what is your position as it relates to going below the baseline figure and if we went below the baseline figure of the previous years amount for towns and villages, then clearly the committee and the Legislature would have to recognize that this legislation would incorporate within it the same formula, if you will, for the police district.

The reason why I wanted the information from Budget Review is we see these huge fluctuations. And in 2000, towns and villages received roughly 10% of the sales tax dedicated to that public safety fund. It went down to seven percent, then the following year they received 60 percent of it, then the following year they received 21 percent, and the following year points 13.6%. And this year, 4.8 percent. These are very significant fluctuations. And I think what everybody is looking forward to is some stability. So if there is a baseline, I would submit, if there is baseline for towns and villages there should be a baseline in the police district.

SUPERVISOR HORTON:

I mean I'll answer ••

CHAIRMAN CARACCILO:

That's the question.

SUPERVISOR HORTON:

And I'll answer that question simply from the position of a chief executive officer and chief financial officer, somebody who is solely responsible for producing, you know, in my small budget, which is simply a \$30 million budget with 250 employees. I have mandated, and quite frankly, I've brought Southold Town out of tremendous deficits because of consistent budget policy, conservative, fiscal and consistent budget policy. And I think your point made that

certainly if the east end is calling for some stability, then I think by all means that should be held across the board in terms of the police district.

Because, believe me, as a Suffolk County resident, you know we're residents of Suffolk County and proud of it, okay. As a Suffolk County resident, when I am up here on the expressway I want to know that the Police Department is getting funded for proper tours, that they are getting funded for proper equipment. I'd like to see the Suffolk County Police Department receive cameras in their cars. These are things that I would like to know, and those things can only be provided by proper funding to the police district and to the Police Department.

Our taxes, our real property taxes that we pay in Southold, you in portions of Huntington and Brookhaven and Islip, we pay those taxes as well as into the General Fund. The public safety funding provided to the police district that we're not a part of, should be consistent as well. And consistent why? A, consistent to provide sound fiscal policy and safeguards for the residents of Suffolk County. To ensure that the police district is provided with proper funding to carry out the day to day mission of ensuring the best of public safety.

So yes, as a •• strictly from a fiscal point of view, I would lobby, and if I were in the position to do so, I would mandate my own policy would be consistent budgeting on an annual basis •• and predictable. Okay. Understanding that the sales tax is going to fluctuate on an annual basis. We understand that. I have a policy. We receive mortgage tax, as all the towns do. We receive a share of the mortgage tax. When I move forward into creating my budget, I make it very clear to my comptroller that we're only going to •• we're going to take a very conservative approach to budgeting for those funds in the revenue line. We are going to do it conservatively, we're going to only allocate 50 percent of what those would be because there may be a dramatic fluctuation in the following year and we may not receive the same amount that we did this year. But I'm only going to budget for a certain amount to ensure that we don't fall short. And also, so that I'm •• we can't play political games with the budget, quite frankly. So, yes, consistence, you know, has to be a foundation in any fiscal policy in budget practices.

CHAIRMAN CARACCILO:

I believe Legislator Alden has a question.

SUPERVISOR HORTON:

Yes, sir.

LEG. ALDEN:

Actually, just to pick up on one thing that you are saying. I understand what you are saying about, and I think I can sum it up this way, that sales tax is predictable •• I'm sorry. Property tax is predictable, sales tax is not. But what this bill actually does is it makes the sales tax that would go to the towns and villages police departments on the east end, it would make that very predictable because it would baseline it.

Now, the problem that I might have with that, and I'm not sure because I have a couple of questions of Budget Review and of legal Counsel where the changes were made that would take care of this, but in our budget sometimes when we sell contracts or things like that, we might need more of the sales tax to go to some of those things that might become fixed cost. In this instance, what we're doing is we're actually increasing our fixed cost like off•budget, so to speak. And if we had a year where it was terrible and sales tax came in on a decrease, we would still be obligated to, you know, the baseline to the east ends towns and villages and yet we still would not have that flexibility in our budget because sales tax is unpredictable and could actually lead to •• directly to property tax increases for the rest of the County.

So that's the thing that I have got to square up and I think that's where you are coming from, right, it would make it predictable for you so you could actually take what is the sales tax category, which would be fluctuating, you could put it in almost like a property tax category which is, you know, dead on. You can actually know exactly what is coming in for that. Is that correct?

SUPERVISOR HORTON:

I think you are along •• you're making a fair representation summarizing a point that I made, yes, indeed.

LEG. ALDEN:

When we debate the bill, then, that's a couple of things that I'll have some questions on. Thanks.

SUPERVISOR HORTON:

Well, I think the other point that has to be made, and I wasn't prepared to take specific questions, but none the less, I think a point that has to be made is that, and I think this bill begs the question and has forced the conversation, quite frankly, which had to be done. Why is it that the east end for the past several years have received no increase when in fact the police district drawn from the, you know, the Suffolk County sales tax drawn from the same pot has been increased substantially? That's the question at hand here. How we achieve that is your responsibility. And I trust you all to achieve that.

CHAIRMAN CARACCILO:

My question simply was should we establish baselines for both?

SUPERVISOR HORTON:

To the ••

CHAIRMAN CARACCILO:

In other words, we can sit down with our budget staff and find out what is a baseline amount that we should, you know, recommend to the Executive when he presents his budget in September, to include from sales tax proceeds, you know, given the fact that we know it has been anywhere from \$5 million up to \$64 million. Should it be \$30 million a year annually as a baseline.

SUPERVISOR HORTON:

Well, I think if you're going to provide a baseline for the east end, that your baseline should be consistent.

CHAIRMAN CARACCILO:

Right. I understood that was your answer. Okay.

SUPERVISOR HORTON:

I think there is no other answer, to be honest with you for that. Thank you.

CHAIRMAN CARACCILO:

Thank you. Any other speakers? Mayor Rickenbach.

MAYOR RICKENBACH:

Thank you, Mr. Chairman, members of the committee. This is a bit redundant, but I would just like to highlight that I did offer testimony at the hearing several weeks ago. I recognize that, Mr. O'Leary, I think your comment was well taken. But I think the core issue here is one, that there is this inequity that is in place now and what we're looking for is equal treatment •• that is the towns and the villages of the east end.

And as a bifurcated commentary I'd like to recognize that the Chief of Police is here from the Village of Amityville this morning, so there are some bona fide villages within the County Police District that would likewise be affected by whatever action is determined by this body. Again, there is inequity. We're looking for some type of equality and thank you for the opportunity.

CHAIRMAN CARACCILOLO:

Mayor, while you're at the podium. In the last 12, 24 months, how many occasions has your village had where you called in County police for services?

MAYOR RICKENBACH:

Our Chief of Police is here. I would like to defer to him. There was an ongoing homicide investigation that was recently consummated with the successful prosecution. Chief? A handful? Okay. That opportunity is available and again, that's by way of the money that goes into the funding for the specialized services, arson ••

CHAIRMAN CARACCILOLO:

The General Fund.

SUPERVISOR HORTON:

Yeah, General Fund. Robbery. You know, there has been a lot of discussion. That's a whole •• another chapter in the big book with respect to monies that are paid in by the towns and villages to the County for specialized services. And if you took collectively, I think, the amount of services rendered, and that's inclusive of the helicopter capability, the Medevac, you could divide that a dozen different ways and come up with different analyses with respect to the amount of monies that we get in return for the money that is paid in.

CHAIRMAN CARACCILOLO:

Right. Thank you, Major. Budget Review, could you just update me on what percentage of the total do the five east end towns pay towards the general property taxes Suffolk County. It's based on full value evaluation and this is figure may be somewhat dated. A couple of years ago I remember it was about 23, 24% of the total.

MS. VIZZINI:

We're working on it. We'll get back to you.

CHAIRMAN CARACCILOLO:

Okay. I'd like to see that in writing and I would like that sent to each member of the committee. Gentleman over here, did you want to address the committee? Sir, you can sit, if you'd prefer. It's up to you.

MR. CLARK:

Mr. Chairman, Ladies and Gentlemen. I'm introducing myself. My name is James Clark. I'm the Senior Trustee of the Incorporated Village of LLOYD Harbor and the Police Commissioner. I just want to let you know I appreciate the invitation here. I find this very informative and naturally I would like to pass this back to our own western section, because naturally we're the first incorporated village over the line in Suffolk County. So, just to let you know that I'm glad we are having these discussions. And I'm also the First Vice President of SCVO, Suffolk County Village Officials. So, once again, thank you very much for the invitation and I'll pass this information back to our own group.

CHAIRMAN CARACCILOLO:

I just read last night online an article that was in the New York Times real estate section about your beautiful village. I don't know if you saw it. I didn't even look at the date. It wasn't yesterday or this weekend, but it was in the recent past.

MR. CLARK:

Well, you know, I have a saying. I've been a trustee now 18 years. Once a year we have a tea for the new residents. And my famous line is, and it is known as my trademark, "Welcome to Paradise." That is what we usually say. I thank you, Mr. Chairman.

CHAIRMAN CARACCILOLO:

They quoted that in the article, actually.

MR. CLARK:

Yes.

CHAIRMAN CARACCILOLO:

Welcome to paradise. Okay, thank you. Anyone else? Supervisor McGinty?

SUPERVISOR McGINTY:

Mr. Chairman, good morning, everyone. I actually was not prepared to speak. We were coming up here just as a show of support. I believe there has been enough said in this. But I wanted to cut this right down to the bottom line here. This is nothing more than revenue sharing. This sales tax comes in •• we have got all kind of numbers that your Comptroller has. He knows what numbers are coming in from the east end, he knows what numbers are coming in from the rest of the County.

Pete makes a very good point, but the difference is we're also being taxed on the east end for the general district. In addition to that, though, and based on your Comptroller's report, if we got a flat fee on the east end or we had a number that we were getting consistent money from the sales tax that we were bringing in, you have more flexibility here in the County, particularly with budgeting, based on what your Comptroller said because you can take up to one quarter percent of that tax and put that in the district. Not one•eighth or whatever that number is. So you can take more money than we can take, than we are going to be getting back. You have much more flexibility on what you do with that money.

So I truly believe that we should have a bottom line to work off of rather than having this thing flip back and forth. Because if it flipped back and forth in the County and the numbers came in low, let's say at one•eighth the percent of the revenue, you can bump it up and you can take your other •• I believe it was a quarter percent by policy you can put into emergency services, not necessarily police, but all this type of function in the County. But by policy you could also direct all that money right back into the police district. Am I incorrect with that?

CHAIRMAN CARACCILO:

Robert, do you want to respond to that, or Gail?

MR. LIPP:

Could you repeat that?

SUPERVISOR McGINTY:

You can direct almost a quarter percent, up to a quarter percent ••

MR. LIPP:

•• yes.

SUPERVISOR McGINTY:

•• fully back into police district.

MR. LIPP:

That's right.

SUPERVISOR McGINTY:

Then you take that money away from other services that you might have originally thought of putting them towards. You can put an eighth into the district, you can put a quarter in the district.

MR. LIPP:

We would •• when we adopt a budget in the fall, we could adopt anywhere from zero to a full one•quarter cent within the police district.

SUPERVISOR McGINTY:

Okay. So you have more flexibility than we would have. If you came up with a number and a baseline, you know the numbers that have been coming in from the east end. You see that •• that you're aware of the revenues that are coming in. And I would venture to say if you looked at the percentage of revenues that come in from the east end and the overall sales tax, we don't have those numbers today, and compare the decreases and the hopping around that we have been getting from 10% to seven percent to five percent to 50%, to 21 and then down to four this year. It's very inconsistent and I would, with all due respect to Peter O'Leary, I have a

lot of respect for him, and there is some fairness in stating there should be a baseline on both ends. But you also have more flexibility in what you can do with those funds than we do. And the baseline is needed for us in the budgeting process and growing police departments in the east end.

CHAIRMAN CARACCILO:

Legislator Alden.

LEG. ALDEN:

Are you making the argument that based on generation of sales tax, that's where the revenue sharing should come in?

SUPERVISOR McGINTEE:

I'm not making the argument •• I'm making the argument that there's inconsistencies and we're willing to come up with a baseline number and watch where things fall. I'm saying based on Pete's earlier statements that there is no baseline on the west end and that's what his issue is. I'm making the statement that there is more flexibility with that sales tax funding on the east end.

Let's say that we come up with a baseline that we won't go under, but we come up with a number, a fair number, that would come back to the east end. And let's say that's that one •eighth number, or for lack of a better number, any number you choose. We don't have the option of saying well •• let's say that number •• you have a number consistent in the County. You can throw up to a quarter percent of that sales tax revenue directly into your police district. But that quarter percent is used •• can be used County wide for any type of emergency services money.

But if you choose to, you can take the whole ball of wax of that policy number, that one quarter percent, and put that into your police district, can you not? Because you went from 37 million one year down to five million another year and up to 67 million another year. So I would venture to say there is a lot of flexibility that you have with those sales tax funds. All we're asking for is a consistent bottom line that we can base our budgeting off of and a fair number that makes the playing field level so we get the funds in equal distribution back to the east end.

LEG. ALDEN:

When you say a fair number, because a statement that you made earlier was that you generate X of dollars or X percent of the sales tax. I thought you were tying that in.

SUPERVISOR McGINTEE:

No, I didn't. The statement I made was we don't have that number prepared, what percentage of the sales tax we were generating as opposed to what percentage we were getting back.

LEG. ALDEN:

Because, just to pick up a little bit of what Josh Horton was saying before, Supervisor Horton, I think that if you want to get into an argument as far as revenue sharing, that is a whole new ball of wax and that's going to entail a whole bunch of analysis that I don't know if we want to get into on this.

If you are making an argument for fairness, that when we use certain amounts of sales tax for our police district that that should be tied in as far as a percentage basis for the east end, I'm willing to listen to that. But if people want to start talking about, you know, like you generate this and you generate that and then, you know, this is going to deteriorate very fast.

SUPERVISOR McGINTEE:

Mr. Alden, I'm not looking for an argument.

LEG. ALDEN:

No, I'm not saying you are looking for an argument.

SUPERVISOR McGINTEE:

I have enough of them at home. I really don't need to come up here and have them. I'm coming up here just asking for support of this issue and being fair about it and just making a point that County does have more flexibility with their tax revenue money.

LEG. ALDEN:

Then I stand corrected.

SUPERVISOR McGINTEE:

With the tax revenue money.

LEG. ALDEN:

I stand corrected. I thought you made a statement that said that you generate, you know, whatever percentage of sales tax in the east end.

SUPERVISOR McGINTEE:

Well, if we had a misinterpretation there, then, I withdraw that. I just will finish up with I hope you take serious consideration over this and it has been a pleasure coming up here and speaking to you. I have nothing but respect for everyone here and appreciate you allowing us to come up here and address this issue.

CHAIRMAN CARACCILO:

Legislator O'Leary has a question.

LEG. O'LEARY:

Yes, good morning, Bill. Good to see you.

SUPERVISOR McGINTEE:

Good morning, Pete. Nice to see you.

LEG. O'LEARY:

The •• I'm under the assumption that the reason why the east end portion of the revenue sharing is stabilized is because it's based on the one•eighth of 1% formula. Is that correct, BRO? Yes? That's correct?

MR. LIPP:

Yes. Yes, that's correct.

LEG. O'LEARY:

And the reason why the numbers are so disparaged with respect to the district is because of the zero to one quarter percent that we have the flexibility of increasing the district ••

MR. LIPP:

Actually, perhaps I misunderstood your question. Currently, it's not based on a specific formula. They are just given an allocation based upon it's a policy decision. What the proposed resolution would do would make as a base one•eighth of one percent and then give each of the town or village police departments a fraction of that based upon their population as a fraction of total Countywide population.

LEG. O'LEARY:

All right. So, what, then, is the simple explanation as to why •• why the east end towns and villages and Amityville and LLOYD Harbor, among others, pretty much remain constant but the police district fluctuates? What is the simple explanation for that?

MR. LIPP:

Well, it would be my speculation, I couldn't say with certainty, but from my personal observation the policy decisions that have been made over time between the Legislature and the County Executive for the police district have been and therefore the fluctuation within the County's police district fund, has been because of how the finances have gone in that police district.

For instance, if there would have been sticker shock in a given year in terms of property tax increase in the police district, perhaps more sales tax revenue would have been allocated to the police district. And then in another year it would have been reduced if the finances were better. In terms of what the allocation was for the revenue sharing for the towns and village police departments, that's more of a policy issue that for whatever reason the Executive is usually offered a fixed amount. I know that it was at least one year where they were recommending not to put anything in, if I can remember correctly, and that met with a hue and outcry, for lack of better term, and the Legislature put it back in.

LEG. O'LEARY:

All right. Is it my understanding that the •• that the one•eight of one percent of sales tax is statutory fixed? It's not?

MR. LIPP:

I'm not sure what the answer is to that. I know that the current •• well, not. I believe the current legislation speaks to that the •• what the number is only for the police district, which is

anywhere, as we were saying earlier, from zero to a quarter percent. But I'd like to defer to Counsel on whether or not there was a specific criteria in the legislation that exists now.

LEG. O'LEARY:

I do eventually have a question for Bill, by the way, so stay there.

CHAIRMAN CARACCILOLO:

Okay. Counsel, could you •• we were just having a side•bar conversation about that very point, so.

MS. KNAPP:

The 1998 law basically codifies the percentage that each of the municipalities get as ••

CHAIRMAN CARACCILOLO:

Percentage of the whole.

MS. KNAPP:

The percentage of the amount that each municipalities bears to the other in the adopted 1997 operating budget and shall be adjusted upward and downward for years subsequent to 97 by taking into account any increase or decrease in the sales and compensating use. So basically it fixes the percentage that they are going to get with respect to each other. And then allows it to increase or decrease from a base of 1997.

CHAIRMAN CARACCILOLO:

Right. I would just add that that is why when you look at these figures they have been in the three million dollars cumulative range for that very reason. That's why it's time to update, modernize, and provide a more fair and equitable formula.

And the formula, just to refresh everyone's memory, when Jim Spero was here at the first committee meeting or public hearing, it came to pass as a result of conversations with BRO, and he felt that the best way to do this was, we kicked around a number of concepts, was based on the population of the County. The villages and towns, west end villages, east end

villages and towns on the east end represent approximately 10% of Suffolk's population. So the formula that's contained in this resolution is based on that population. Ten percent. Of the whole.

Now there is or would be codified an actual formula and, for example, if approved in it's current form, the villages would experience an increase next year of approximately •• they'd go from 3.1 million to about six million because that's their fair share. It's not because we're giving them money they don't deserve, that's their fair share.

I can tell you with respect to sales tax receipts that Tanger Mall, Tanger Outlets in Riverhead, there have been a number of people who have acknowledged this, generates over \$10 million in sales tax receipts alone. That one outlet center.

LEG. O'LEARY:

I don't want to go there, Mike.

CHAIRMAN CARACCILOLO:

No, no, no. But then we're talking about the whole tourism industry, which let's remember, is the largest industry in Suffolk County. We can go there.

LEG. O'LEARY:

Well, let me get ••

SUPERVISOR McGINTEE:

Sometimes we generate 10 million in sales from two shirts.

CHAIRMAN CARACCILOLO:

You know, the specious argument about sales tax, I wish there were a way to quantify it. I wish the Departments of Tax and Finance in Albany could quantify it because then clearly the residents of this County that don't receive a fair share would be in this auditorium and we would address •• hopefully fix it.

LEG. O'LEARY:

Now, I'm absolutely more confused than I was before I started asking you questions.

CHAIRMAN CARACCILOLO:

Gail, did you want to chime in?

LEG. O'LEARY:

Gail, can you perhaps clarify this?

MS. VIZZINI:

I just wanted to clarify one of the points that you made, Mr. Chairman. Yes, the formulas is based on population but is also based on the amount that we give the police district with the proviso that they shall be held harmless in the event that the next year we decide we need the sales tax revenue or more of the sales tax revenue to mitigate anticipated property tax increases in the General Fund. That the districts would be held harmless, meaning they would at least get what they had gotten previous.

CHAIRMAN CARACCILOLO:

The districts. Didn't you say the district? We are talking about the police district?

MS. VIZZINI:

No, the towns and villages.

CHAIRMAN CARACCILOLO:

Okay. And I think the point that Mr. O'Leary raised was, and I followed•up on was perhaps we should establish baselines for the police district as well as the towns and villages so that there's stability across the board.

SUPERVISOR McGINTEE:

If I just might comment on that. I have been kinds of listening for a second here.

LEG. O'LEARY:

If I may, Bill, just while I ••

SUPERVISOR McGINTEE:

Oh, go ahead, Pete. It's your house.

LEG. O'LEARY:

Yeah. Thank you. I mean just to speak in round numbers here. I mean, this whole one•eight of 1% thing has me a little bit confused. Let's say for the sake of discussion that the County generates in sales tax almost a billion dollars. Over a billion dollars. And one percent of that would be 100 million? And one•eight of that would be? Ten million?

MR. LIPP:

Ten million.

MS. VIZZINI:

We're with you so far.

LEG. O'LEARY:

Okay. Now the one•eight of 1%, my understanding, and I wasn't quite certain what the explanation was, statutorily that portion of sales tax is guaranteed to go into the police district? Or not?

CHAIRMAN CARACCILO:

It's not guaranteed.

LEG. O'LEARY:

So what is the whole purpose and function of having a one•eighth of 1% in place? I mean, what does that do?

CHAIRMAN CARACCILO:

Okay. The State legislation that the State Legislature approved permits up to, up to, one•eight of 1% can be dedicated for public safety. It doesn't mean we have to use an eight, and obviously as Robert indicated there have been years where it's been substantially less. I mean, we had one year it was \$5.2 million period. That's probably somewhere down around what percentage, Counsel? I mean, and that's why I think your point in the conversation we had previously about baseline is •• I think it inures to the benefit of district residents, police district residents, as much as it does to east end residents if you have baselines for both. This way the Executive can't play games with the budget.

SUPERVISOR McGINTEE:

Do you still that question for me?

LEG. O'LEARY:

Well, you know, I absolutely forgot what I was going to ask you.

CHAIRMAN CARACCILOLO:

He's having a senior moment.

LEG. O'LEARY:

But I was going to ask you something about the one•eighth of one percent, but let's forget about that. I mean, I still stand by my opening statement to Skip that I'm all for an adjustment. But I want it to be fair and equitable to the point where no one is locked into a set number and no one is guaranteed no decrease or diminution in successive years once you establish that base, if you establish a base.

SUPERVISOR McGINTEE:

Yeah, and I can understand. I would just like to close before I leave is that on the east end we would love that baseline number for planning purposes. On the County, I can understand your desire to have a baseline. But on the flip side, based on what I'm hearing here, and based on the amount of monies that were allocated to the district, you may not want that baseline because it then takes away your flexibility as Legislators to move that money where you want to move it when you want to move it.

So, that's for you guys to decide, but we don't have that option whereas you do. So you might consider not putting that baseline in, and if you do put that baseline in, that's fine. But you'll have to work with that.

LEG. O'LEARY:

If establishing that baseline we use the numbers that are afforded to us under the maximum of the law itself, percentage wise, then I can see perhaps establishing a baseline with those numbers of the anticipated sales tax, because it's anticipated. It fluctuates. It depends on the economy, of course, but there is still a lot of, in my mind there is still a lot of discussion and debate and thoughts that have to go into the finalization of this.

I know the sponsor is anxious to move this as are members of the committee. I think we have

to do something. But when we finally make a decision to go forward with this, I would hope that all parties are satisfied with the results of the resolution and the full impact of it.

SUPERVISOR McGINTEE:

Thank you. I'm sure you'll give it a lot of thought.

LEG. O'LEARY:

I can't say at this point that that's the case, though.

CHAIRMAN CARACCILOLO:

No, we're not soup yet. Anyone else? Okay. I'm going to make a motion to recess the public hearing.

LEG. ALDEN:

Second.

CHAIRMAN CARACCILOLO:

Second by Legislator Alden. All in favor? Opposed? Abstentions? **Recessed. (Vote: 7/0/0/0).**

We have a presentation today by the Budget Review Office and the Budget Office. Mr. Bortzfield.

LEG. ALDEN:

Mr. Chairman, while he is coming up. Just one point of clarification. A quarter percent for public safety or an eighth of a cent?

MS. VIZZINI:

Up to a quarter percent.

LEG. ALDEN:

Up to a quarter percent. Okay.

MS. VIZZINI:

For public safety.

CHAIRMAN CARACCILOLO:

Thank you, Robert and Robert and Gail. Yes, sure. The Chair would like to recognize Legislator Carpenter.

LEG. CARPENTER:

Thank you. While we are waiting for the presentation to begin I would just like to acknowledge a young man who is us today. West Islip High School is participating in shadow day, and Kyle _Burr_ , who I believe is the president of the Student Senate, Kyle, if you would just stand and be recognized, is here observing what we do as Legislators.

CHAIRMAN CARACCILOLO:

Welcome.

MR. BORTZFIELD:

Thank you.

CHAIRMAN CARACCILOLO:

Okay. At our last committee meeting two weeks ago, we began a discussion to determine where the County's finances were and where we possibly were, what direction we were going. And we had quite a disparate estimate of potential shortfalls. Since that time I know there have been at least two sessions where both offices have met. And I'd like to pick up this morning on where we are now in terms of forecast surpluses or deficits. So I'll turn the floor over first to Mr. Bortzfield.

MR. BORTZFIELD:

Good morning. We have met with the Budget Review Office, you know, since the last meeting that was taken place to try to go over some of the numbers. They had provided us with details on their model as well as the details that we have provided on our model to come down to •• to see if come down to some kinds of consensus forecast.

It basically boiled down to there was three major issues that were •• that were the major differences between the models that were forecast. One being sales tax projections, one being Medicaid cost projections and the other one being turnover savings projections, along those

lines. Based on our reviewing it and meeting together with them, we have pretty much come to an understanding on the sales tax projections. We adjusted •• the County Executive's model has been adjusted accordingly to pick up the projections the Budget Review Office has included in their model, which is a little bit more optimistic than we had considered, but we feel it's reasonable at this point in time.

CHAIRMAN CARACCILOLO:

Let me just stop you there. Refresh our memories. In terms of the sales tax projections, what was the difference between the two offices?

MR. BORTZFIELD:

It's about 13 and a half million dollars, I believe, over the two year period.

CHAIRMAN CARACCILOLO:

Currently? I mean, that's where you are today?

MR. BORTZFIELD:

2005, 2006, yes, projecting for 2205, 2006.

CHAIRMAN CARACCILOLO:

Okay. And the last time we spoke, we had this conversation two weeks ago, what was the difference?

MR. BORTZFIELD:

The difference was ••

CHAIRMAN CARACCILOLO:

On the sales tax. That was the figure?

MR. BORTZFIELD:

That was the figure, right.

CHAIRMAN CARACCILOLO:

Okay. So, now you're prepared or you've mutually agreed that the projections being forecast by Budget Review are numbers you can live with.

MR. BORTZFIELD:

Yes.

CHAIRMAN CARACCILO:

Okay.

MR. BORTZFIELD:

The other large number that we •• projections that we have made adjustments to is the projections for the Medicaid cost. This is just going into, you know, based on what is currently happening with Medicaid cost not taking into impact any potential changes that might happen with the State budget as to any kind of Medicaid relief along the lines. It is just based on current projections, based on the numbers coming in a little better than had been projected in the past. Made some major modifications to our models and also have accepted basically the Budget Review projections on the Medicaid costs for the County for the 2005 as well as how it reflects into 2006.

Those were two major changes that brought our projections down considerably. But there is one major outstanding one, and that was the projections that are made on the actual amount of turnover savings that are potentially involved with the budget. And in the Budget Review Office projections it basically has taken a stance that tracking out positions that have been release as of a set date projecting for the year and saying based on this, you know, what the projections would be for the year, as additional savings over and above what was already included in the budget in the way of turnover savings.

It's a rather substantial sum and it was based on the estimations, and I will let Budget Review speak for themselves on that, that the •• based on the hiring practices that the County has established over the last •• over a year, since a new administration came in, which have been rather restrictive, but they felt if continuation of that policy, a very, very restrictive hiring practices would be able to provide additional turnover savings into 2005 as well as that carries over into 2006. That turns into a substantial amount of money.

The County Executive policy, and what he would like to do at this stage of the game is actually to be able to, you know, release positions. We know there is a number of areas in the County.

We have released some positions early already this year, but we're waiting, based on the projections that were made from BRO that said, you know, that we would have to come up with all this additional turnover savings, you know, to meet these projections, that we felt that it was rather restrictive.

We have a number of areas in health, in public safety and areas where we can reduce overtime, areas we can raise had additional revenues to be able to release a substantial number of positions on a Countywide basis.

Based on our review of that with BRO, that, again, I will let them speak for themselves, but it was more a consensus that yes, if this policy is what really is going to be happening, that their numbers could be reflected accordingly but not show such huge turnover saving numbers because to be able to come up with those numbers, you know, we just wouldn't be able to do that. We wouldn't be able to release the positions, be able to, you know, fill these positions where they are sorely needed through the County.

CHAIRMAN CARACCILO:

Can you give us a perspective as to the timeline involved with filling those positions?

MR. BORTZFIELD:

Well, a lot of the positions can be filled right away. We have gotten hiring plans from all the departments across the County. And we have a number of plans and SCIN forms, which is the vehicle for releasing positions, ready to go in the in terms of hundreds of positions, you know, ready to be released. And it's just a matter when the departments can get the release •• signed off SCIN forms, the process can go rather rapidly depending on, you know which department it is or in some cases slower depending on all the additional work that is necessary to fill the positions.

CHAIRMAN CARACCILO:

Are we talking 30 days, 60 days, 90 days?

MR. BORTZFIELD:

It could be anywhere from 30 days to six months in some of the areas when you get to the public safety positions when they need the background checks, those types of things. But yes, most of them are done with large turnaround.

I'll give you a for instance with Social Services when a number of positions were released, you know, at the end of the year. Within a month they had those positions filled. I mean, the lists are available, they are ready to go, positions can be filled, so.

CHAIRMAN CARACCILOLO:

Okay. But internally I'm sure you folks, you know, because you are the bean counters, you have to know when these things are going to happen and what their implications are going to be.

MR. BORTZFIELD:

We make all our projections based on that. Once we get the okay on the hiring plans for the departments our projections as to when the position is going to be filled, and based on that, that is how we come up with the projections for our models as to what it is going to cost us for the year as well as the following year based on when positions are going to be filled.

CHAIRMAN CARACCILOLO:

I understand that. I'm trying to get some quantitative, you know, number here on what we're talking about. Hundreds of positions. One hundred? Two hundred? Three hundred?

MR. BORTZFIELD:

If my numbers are correct, I think we have something in the range of 300 positions right now in •house that are prepared to be signed•off on.

Something in that range.

CHAIRMAN CARACCILOLO:

What's involved now in terms of actually executing, not just the SCIN form but the other actions that have to fall in place to realize those bodies in County government?

MR. BORTZFIELD:

Well, just once the positions are signed•off by the County Exec it goes to the departments and they proceed to fill in positions.

CHAIRMAN CARACCILOLO:

Okay. They have to go to Civil Service list?

MR. BORTZFIELD:

In most cases, yes, it is mostly Civil Service positions.

CHAIRMAN CARACCILOLO:

How many of those hundreds of positions would be in the exempt category?

MR. BORTZFIELD:

I think very few.

CHAIRMAN CARACCILOLO:

Okay. You mentioned public safety, health. Public safety there is a deferral of the police recruit class from March to I guess the fall, have one large class.

MR. BORTZFIELD:

Right. But in public safety, not to interrupt you, I'm just talking mostly on the civilianization positions and stuff that are involved, not so much the classes. The classes are basically set now as to when the classes are going to be regarding the police.

CHAIRMAN CARACCILOLO:

In terms of civilians in the Police Department, what are the numbers this year versus a year ago?

MR. BORTZFIELD:

Specific numbers I couldn't tell you right off•hand. I don't have those numbers available. But we had put in a number of positions ••

CHAIRMAN CARACCILOLO:

Maybe Budget Review can dig them up before we leave today. Okay.

MR. BORTZFIELD:

Fine.

CHAIRMAN CARACCILOLO:

Okay. So, in essence, as I recall, last committee meeting two weeks ago the forecast was from your office approximately 90 million dollar ••

MR. BORTZFIELD:

Right.

CHAIRMAN CARACCILOLO:

Budgetary deficit for '06 projected. Where are we today? What's your number?

MR. BORTZFIELD:

In the budget shortfall, it is not a deficit, it is a budgetary shortfall, it is projected in the range of the mid•40's.

CHAIRMAN CARACCILOLO:

Mid•forties.

MR. BORTZFIELD:

Right.

CHAIRMAN CARACCILOLO:

Okay. What corrective action, if any, is the Executive prepared to propose to the Legislature to deal with that?

MR. BORTZFIELD:

Well, again, these numbers are constant subject to change. We have done the actions that were expressed at last meeting that we have taken already. We're looking in other areas. Specifically right now the one is the potential of using the pay•as•you•go monies to pay for, you know, to cover some of these shortfalls in areas, you know, that we don't have covered at this point in time since we do have the legislation allowing us to do a bonding for those particular costs this year.

CHAIRMAN CARACCILOLO:

I know the Executive has expressed, you know, serious concerns about using pay•as•you•go •money so far this year. Now I understand the rationale.

MR. BORTZFIELD:

Right.

CHAIRMAN CARACCILOLO:

That obviously requires restraint on the part of the Legislature because a number of resolutions have already been introduced. So I would hope my colleagues would take heed that of message when they consider resolutions using pay•as•you•go. It's either pay•as•you•go or you pay property tax increases in the fall and don't complain when you got to vote for that budget.

Okay. Robert, let's go the Budget Review Office and share with us any changes in your projections and forecast.

MR. LIPP:

Okay. I have no problem with what Bob said. He stated it pretty clearly and precisely. I think the major issue, as Bob was saying, is turnover savings. In particular, if you look at the chart that we handed out to the horseshoe just now, we list the number of filled positions in General Fund since 2000. And the relevant area here that I call your attention to is the •• towards the right side where you see January '04, August '04 and January '05.

In particular, when we did our budget projections, we based it upon a lot of criteria. Without going into boring details, the bottom line is we did a lot of trend analysis, looked at data over time and at what the County was doing, but we also looked at what the current County Executive was doing in terms of spending. And as one particular point here, the turnover savings, which is actually, you know, spending on positions for employees, if you notice when the County Executive took over January '04, it was at a •• sort of at a local peak and then not until •• then it reached a bottom, a local bottom in August of 2004 and at that point started to fill positions. Then it rose to the beginning of this year to a little bit above where the County Executive started. But it was, you know, pretty close.

What's the point here. The point is in '04 actually, if you look through August, you have a reduction through people retiring, people leaving for other reasons, which on average have higher salaries, and then you bring in new people on average they have a lower salary. So you

have January through the end of July reductions and savings and then you're increasing after that and since that's a shorter portion of the year, five months instead of seven months, overall without looking at specific numbers, this would imply that the actually over the course of the year you had savings even though you hired people.

Then, if we look at what we're doing so far this year, the hiring freeze is sort of still being administered by the County Executive and as we hear yes, they are going to hire more people and do we need more people? Yes. Are we tying the hands of the County Executive? No, it is just a budget projection model trying to see what the County Executive is doing. And the County Executive has the ability to make our numbers completely different.

In particular right now we're estimating just under \$24 million short fall. Is that the right term? Short fall, which would imply that if nothing was done in terms of, for instance, dipping into the tax stabilization reserve fund, if we didn't do that, assuming everything came to be as the projection was, then you'd need an almost \$24 million increase in General Funds. We are not seeing increase in the police district. However, if they do the civilianization, which is not implicit here, then there would be a higher cost in the police district but there will be also, in theory at least, an equivalent savings in the General Fund otherwise what's the point of civilianization. Although there could be some time issue as to what the savings would be. So that depends upon when the actual civilianization occurs. And, of course, if they do release these SCIN forms, in other words, hire a lot of people, it's possible that, yes, the budget model would then reflect this higher cost and yes, the projected short fall would exceed the almost \$24 million.

So at what the point in conclusion. The point is we're observing what the current County Executive is doing and we're saying he has a fairly strict attrition policy. He's not doing much hiring. This is what it is. Do we need employees? There are lots of departments that go wanting for new staffing. And that's not what the budget model is trying to predict. The budget model is just trying to predict what we're observing now. If they go and they •• go out and hire a lot of people that would exceed an amount that would offset the terminations from retirements and other people normally leaving, then we would reflect that in the model. And we will do a wait and see and raise it up.

So what's the point in conclusion. Right now we have a little under \$24 million as a short fall.

They think that there will be a short fall •• the short fall will be in the neighborhood of about \$45 million, assuming they do a more aggressive hiring policy. And we can't say for sure if that's correct or not because it depends on how aggressive they are.

And also, just in closing to note that we all on the same page, Executive's Budget Office and Budget Review Office, in terms of realizing it is a projection, the short fall. There are lots of things that could change. For instance, it's really hard to figure out what is going on with State and federal aid. We don't have the year end fund balance yet which should occur mid to late April. There are issues with on the plus side Medicaid. There is a possibility we could get savings there, but then again, there are negatives out there, too, like potential problems with revenues in the Health Department. So depending on how all those things shake out, the number could be significantly different from either of ours.

CHAIRMAN CARACCILO:

And that •• based on your last comment, would it be prudent for the committee then to hold in abeyance any corrective action or budget reduction plan legislation until a later date? You had just indicated late April we get fund balance information, you know, we should have a better picture of what is going to happen out of Albany since they are trying to meeting an April first deadline. Responses, Bob and Bob? Or Bob and Gail?

MR. BORTZFIELD:

I don't know of any legislation that you have for the committee at this stage of the game.

CHAIRMAN CARACCILO:

No, we don't. But I know that the Executive has contemplated putting ••

MR. BORTZFIELD:

Is contemplating and will continue to contemplate it, but again, these numbers obviously will fluctuate and we're hoping they fluctuate in a positive direction. We're just still taking the steps that we can initial, you know, in the initial phases without doing major modifications to the budget and coming up with major changes.

The one biggest one that is potential for coming over here is, again, as I mention, is using the pay•as•you•go funds as a potential offset for things during the course of this year.

We know we have certain areas that aren't really truly reflected in the model yet, you know some areas that have come in •• that are coming in higher. One being the cost of transportation for prisoners is obviously much higher than was allowed in the budget based on the fact that we don't have relief from the state on the •• and didn't get relief to put up the temporary structure until a later date. So those numbers, we need additional funds there to the tune of almost \$5 million for 2005.

We have shortfalls in snow removal for a million dollars so far this year and we're hoping there is going to be no more snow storms. There is a couple of other areas that have some potential that, yes, want to make sure we were able to address these, you know, within the existing, you know, parameters of the budget and hopefully things will come along that will help us do that.

CHAIRMAN CARACCILO:

So to use a racing metaphor, are we still under the white flag in terms of taking corrective action, or should we be going to caution?

MR. BORTZFIELD:

I'd stay with the caution flag at this stage of the game.

CHAIRMAN CARACCILO:

Okay. All right. And you mentioned the three areas where positions •• well, you mentioned positions, hundreds of positions will be released in the foreseeable future, health, public safety and to reduce overtime. Are we talking there about the corrections ••

MR. BORTZFIELD:

Also raise revenues. No, I'm not •• that includes any correction officers and the police. Those are separate positions and what have you for the classes.

CHAIRMAN CARACCILO:

Not new positions but the category that you are trying to reduce overtime expenses. Is that••

MR. BORTZFIELD:

That's a very large area we would like do reduce overtime expenses in, in correction officers, yes.

CHAIRMAN CARACCILO:

Legislator O'Leary has a question.

LEG. O'LEARY:

Just to follow•up on what the Chair just said regarding the release of the positions, hundreds of positions shortly. Can you define shortly?

MR. BORTZFIELD:

I cannot define shortly. Again ••

LEG. O'LEARY:

Did you do that before? It's either 30 days or six months?

MR. BORTZFIELD:

Well, release of positions can be done instantaneously. It's a matter of the County Executive signing off for the positions. As to when they will get filled is up to then the departments and to the filling positions. That can take 30 days, 60 days, 90 days, whatever it is, along the lines. We have no control over that.

LEG. O'LEARY:

Wouldn't the department request the positions and then the County Executive release them? Isn't that the process rather than the other way around, the County Executive releases and the department fills?

MR. BORTZFIELD:

No. The County Executive has to release the actual position ••

LEG. O'LEARY:

Yes.

MR. BORTZFIELD:

•• the department fills.

LEG. O'LEARY:

Right.

MR. BORTZFIELD:

The County Executive doesn't •• the department has to go through the whole process of filling the positions.

LEG. O'LEARY:

Yeah, but I would think the departments are eager to fill.

MR. BORTZFIELD:

Yes, but there's still processes they have to go through regarding Civil Service lists ••

LEG. O'LEARY:

Yeah.

MR. BORTZFIELD:

•• regarding interviews, regarding the whole process. That takes time. It's not instantaneous.

LEG. O'LEARY:

All right. So, is there any indication when the County Executive, then, is going to be signing those release forms?

MR. BORTZFIELD:

Well, the indication, I guess, a lot of it is going to be based on today's meeting and our review with the Budget Review Office as to whether we are coming up with a consensus as to where the problem lies and what the potential is for that turnover savings number.

LEG. O'LEARY:

All right. And then •• just to go back to your opening statement, Bob, County Bob, not BRO Bob.

MR. BORTZFIELD:

He's Robert.

LEG. O'LEARY:

Okay. All right. To differentiate Bob and Rob, how's that?

MR. BORTZFIELD:

Right.

LEG. O'LEARY:

Okay. Bob, you made an opening statement concerning three issues. Sales tax projections, Medicaid projected costs and of course the turnover savings projections. Is it safe to say with the exception of the turnover savings projections that the County Executive's Office is more in line with the legislative BRO with respect to projections on sales tax and Medicaid projected cost?

MR. BORTZFIELD:

We are at this stage of the game, yes.

LEG. O'LEARY:

All right.

MR. BORTZFIELD:

And remember, these are just the major ones.

LEG. O'LEARY:

Yes.

MR. BORTZFIELD:

And our models, our models differ as to how we come down to the bottom line number, but in just looking at the major areas, you know, where we can come up with consensus opinion as to where the changes might be. That was the three major ones.

LEG. O'LEARY:

Do you have a ballpark figure as far as what those numbers are, or that would just be too much of a guesstimate on your part.

MR. BORTZFIELD:

The numbers on what now?

LEG. O'LEARY:

On sales tax projections and the Medicaid projected cost.

MR. BORTZFIELD:

Yes, we have numbers on them and they are basically the numbers that BRO provided in their model.

LEG. O'LEARY:

What are those numbers? Specifically what are those numbers?

MR. BORTZFIELD:

I'm going to ask Robert to answer because he has got the numbers right there.

LEG. O'LEARY:

Rob.

MR. LIPP:

Well, we're assuming 5% growth in sales tax for '04 and '05. And I'll be perfectly •• I'm sorry, in '05 and '06, '04 is gone already. And I'll be honest with you, there are some pit falls, one could more conservative, but from what we have observed very early on in the year, by the way, in April it should be noted that not only would we hopefully find late in the month what the year end fund balance is, but the first quarter for sales tax will be over. So that would be helpful to see if our numbers are on track or perhaps we should be maybe looking at them again and maybe making them over.

LEG. O'LEARY:

Is it my imagination or neither one of you want to give numbers?

MR. LIPP:

Oh, I'm sorry. I thought five percent was probably a good answer. But I apologize. Okay. In terms of sales tax revenue for '05, we're projecting one point •• one billion and seven million as opposed to one billion even for the General Fund.

LEG. O'LEARY:

Okay. And my understanding that Bob, the County's position is only a differential of some 13.5 five million with respect to that projection?

MR. BORTZFIELD:

Well, it was over a two year period and now we're adjusting our numbers to tie out with that projection.

LEG. O'LEARY:

Okay. And on the Medicaid cost?

MR. LIPP:

On the Medicaid cost we budgeted in the adopted budget like 312 million and we're showing 296 million. It's a savings of 16 million. How are we getting there? Answer, we probably have the best person in the County in terms of tracking Medicaid, that is Diane Anderson has worked with Medicaid for several years, used to work at Budget Review, and came back to us about a year ago. And she has a very detailed file, looks at Medicaid revenues over years and I have been working some with her. So she breaks it down by program component. You know, it is early in the year, hard to say, but the last time she looked which was last week updating her numbers, she's still confident at this point that it will come in at that lower figure.

LEG. O'LEARY:

Okay. And Bob, the County is on board with respect to that projection?

MR. BORTZFIELD:

We're on board with that projection and also the fact that that projection carries forward to the projection for 2006. Because remember, when we are looking at a potential problem we are looking at 2005, 2006. This is a two year model projection.

LEG. O'LEARY:

Okay. So then, you're pretty much on the same page, so to speak, with the exception of turnover savings.

MR. BORTZFIELD:

That's correct.

LEG. O'LEARY:

All right.

CHAIRMAN CARACCILO:

Legislator Alden.

LEG. ALDEN:

Would it be possible to provide to this committee a list of the 300 positions that you are currently considering filling? Because there are some of us that are actually working with some of the departments and some of the labor and things like that just to make sure that we're not overstressing and overburdening some of our employees in Suffolk County and also providing the service that the people in Suffolk County actually pay for. So, it would be very helpful to us to get that list.

MR. BORTZFIELD:

We'll see what we can do. We are in the process of updating our SCIN log where we track all these things to see what has been released, what has been filled, what hasn't been filled, you know, what is still outstanding to be signed. And when we get that together we are going to provide a copy to the Budget Review Office, you know, so they would have it, so we'll see if can also get a copy for the committee.

LEG. ALDEN:

Yeah, because you were pretty certain about, you know, the number so I felt that ••

MR. BORTZFIELD:

Well, I said the number 300. That could be more than that, it could be less than that. It's just a general number that I believe that we have in•house right now that has not been signed.

LEG. ALDEN:

And Budget Review doesn't have that information yet.

MR. BORTZFIELD:

They do not have that information yet, no.

LEG. ALDEN:

So, when •• I'm not sure you answered that. When can we count on getting that information?

MR. BORTZFIELD:

As soon as we get the list all squared away. We had some tracking problems with it, some duplication with the turnover at the end of the year, positions change in the budget and that wasn't reflected properly in the SCIN log so we have to correct that problem and then we will have good numbers.

LEG. ALDEN:

So, like two weeks, six months?

MR. BORTZFIELD:

Hopefully before the next meeting if we can.

LEG. ALDEN:

And that is two weeks from now, three weeks from now?

MR. BORTZFIELD:

I'm not sure.

CHAIRMAN CARACCILOLO:

The next committee meeting?

MR. BORTZFIELD:

Right.

CHAIRMAN CARACCILOLO:

It's longer. It's about a month.

MR. BORTZFIELD:

Hopefully we would have it before that.

LEG. ALDEN:

Way before that, right. And just to point out, and I have a question on it basically, the pay•as•you•go, we are seeing whole bunch of resolutions from the County Executive that would actually go into bonding. So, when we see projects that are paid, you know, with borrowed money, it seems to me it's a little bit more expensive and that's primarily what we put the pay•as•you•go account together when we did this year's budget, was to save a little bit of money and pay cash for things that would warrant paying cash for.

So are we going to see a wholesale, you know, like abandoning of the pay•as•you•go philosophy and going for more bonding? Because I can counts 20 or 30 resolutions that would bound money rather than pay out of the pay•as•you•go.

MR. BORTZFIELD:

Remember, the pay•as•you•go legislation was set aside for two years, for 2004 and 2005 ••

LEG. ALDEN:

It wasn't set aside.

MR. BORTZFIELD:

It was waived.

LEG. ALDEN:

We actually allowed to opt out.

MR. BORTZFIELD:

Right, for the pay•as•you•go.

LEG. ALDEN:

It wasn't mandatory at that point.

MR. BORTZFIELD:

Right.

LEG. ALDEN:

But when you establish a pay•as•you•go account, the assumption is, and I think that it is a good assumption on the part of the taxpayer that if you put this money aside, of my tax dollars, you are going to spend it in that regard. So, to have it twisted around a little bit more I think that, you know, I would opt for honesty to the taxpayers and to the public in large and just if we're not going to do pay•as•you•go, if that's sort of like a slush fund or whatever to maybe cover future shortages in other accounts, then we should be pretty honest about that and we are going to actually borrow money, which is going to be more expensive from now until the end of the year.

MR. BORTZFIELD:

Okay. First, based on the pay•as•you•go policy, the County Executive is very much in favor of the pay•as•you•go policy. He was in favor of it, you know, when he was a Legislator and is in favor of it now. What has happened, and what happened last year, we ran into fiscal problems, one of the first areas where he would be able to attack and where he would have some available funds is the pay•as•you•go funds to be able to address some shortfall areas.

LEG. ALDEN:

Can I just stop you for a second? What fiscal problem did we have last year? I know that it was announced that we had a 280 or 290 million dollar hold and at the end of year now we're looking at over 100 million dollar surplus. What particular fiscal problem are you referring to?

MR. BORTZFIELD:

The problems that were addressed last year, that were projected last year were very well fiscal problems. And there was legislation that was passed along with the Legislature and the County Executive to address over 100 million dollars of that potential problem, to be able to put us in the position where we are today.

LEG. ALDEN:

Yeah, but that would indicate that, you know, your first answer was after you took all the

remedial things there was still a problem where we needed the pay•as•you•go money, so.

MR. BORTZFIELD:

But we returned •• when it got towards the end of the year we were able to address the problems, got it squared away. We returned to the pay•as•you•go policy and put some additional monies back in to address, you know, to pay as you go. It is just one of those areas that it has funds that are available to give you some kind of flexibility during the course of the year when you do run into some problems, to address it with existing funds.

LEG. ALDEN:

That's seems a little bit less than honest, actually. If we're putting money there and we are telling the public that we're going to use these monies for pay•as•you•go and we're not going to bond and we're going to save money and this is a good policy, and if that money is only there just to take care of a budget surplus or shortage, actually, that that doesn't seem like an honest type of a policy to go forward with.

MR. BORTZFIELD:

Well, if you have budget problem, where would you prefer to take the monies from to address the budget problem? Would you prefer to take it from salaries of existing staff ••

LEG. ALDEN:

Well, now I'm glad you raise that.

MR. BORTZFIELD:

Or contract agencies to reduce ••

LEG. ALDEN:

What problem was there last year and what do we have to take money from?

MR. BORTZFIELD:

There was a major problem last year.

LEG. ALDEN:

And what money did we take money from?

MR. BORTZFIELD:

We took money •• we did all sorts of issues last year to address the problem. We did a major refunding on the County's finances to save \$30 million.

LEG. ALDEN:

Okay. But whose money did we take? Did we short •• did we short contract agencies? Did we cut •• did we tell our labor that now you guys are going to have to take cutbacks in your salaries, a furlough and things like that? Did we do those kind of things? Did we take money from them?

MR. BORTZFIELD:

No, we did not.

LEG. ALDEN:

Did we take money from them?

MR. BORTZFIELD:

No.

LEG. ALDEN:

So we refunded some debt.

MR. BORTZFIELD:

We refunded debt. It's across the board reductions of positions in the budget, of vacant positions, but they were funded positions so there were savings there. We reduced equipment purchases.

LEG. ALDEN:

Just one ••

MR. BORTZFIELD:

We reduced supply material purchases. We did across the boards cuts in many different areas.

LEG. ALDEN:

We tightened our belt ••

MR. BORTZFIELD:

Yes, we did.

LEG. ALDEN:

•• which we should have been doing. I have a question now towards that refunding. I remember the initial proposal that came over and it was heavily front loaded and the •• the proposition that the Legislature adopted was more spread out as far as the savings. How much of a difference was there between that front loaded proposition and the one that we actually adopted?

MR. BORTZFIELD:

BRO savings, I don't know. I mean •• and everything with the refunding, everything was a matter of timing. As it turned out, we wound up with much more refunding savings on the issue that actually went through, when it went through, just based on the timing of the issue. But there was the dissavings in that plan also. It was savings in the first two years of approximately \$30 million. Then there was dissavings in the out years for about nine years of \$3.5 million a year. And then there is savings in the subsequent years after that. So it is just a matter of how the plan is put together and how it worked.

LEG. ALDEN:

But the first plan had huge dissavings after the first year. It was all front loaded into 2005, wasn't it?

MR. BORTZFIELD:

The first plan that was put in I believe so, yes.

LEG. ALDEN:

Right. That's what I thought, too.

CHAIRMAN CARACCILO:

Okay. Do we have the information on the civilians in the Police Department? Identify yourself for the Clerk's Office.

MR. MAGGIO:

Yeah, Jim Maggio from Budget Review. We went back to January, a payroll of January 18, 2004 at which point there were 586 filled civilian positions in the Police Department. We carried that through to the payroll in February of 2005 where there are now 577 filled civilian positions. And these do not include the group of school crossing guards. These are just civilians.

CHAIRMAN CARACCILOLO:

Okay. Mr. Bortzfield. Approximately, if you can, tell us how many civilian positions would you think are going to be created in the Police Department?

MR. BORTZFIELD:

Well, there is •• there was in the budget, and actually have been signed•off and released already, these positions that the Police Department is in the process of filling. I believe something in the range of 70 positions.

CHAIRMAN CARACCILOLO:

Seven or 70?

MR. BORTZFIELD:

Seventy.

CHAIRMAN CARACCILOLO:

Seventy. Okay.

MR. BORTZFIELD:

Yeah.

CHAIRMAN CARACCILOLO:

Okay. I would suggest when BRO makes these charts up, it looks like a very precipitous drop, but your scale is so narrow that, you know.

LEG. ALDEN:

I like that.

CHAIRMAN CARACCILOLO:

Okay. Let's get to the agenda. Are there any other questions for BRO before we get to agenda? Not? Okay. Thank you, Mr. Bortzfield. If you would remind Mr. Pollert and perhaps Ben as well that I'm still waiting for the information we requested over a month ago on travel expenses. I have sent them two e-mails since.

Okay. **Tabled resolutions. Please note on your agendas 1978 should be stricken.**
Correct Counsel? Okay. 1978 should not be on this agenda.

The Chair makes a motion to table 2219, second by Legislator O'Leary. **(2219•04 Adopting Local Law No •• 2004, A Charter Law to provide for fair and equitable distribution of public safety sales and compensating use tax revenues.)** All in favor? Opposed? Abstentions? Unanimous.
(Vote: 7/0/0/0).

1093, motion to approve by the Chair. **(1093 •• Amending the 2005 Operating Budget transferring appropriations and a position to the Department of Health Services to promote cancer awareness.)** We approved the pending resolution. Second by Legislator O'Leary. Same motion, same second, same vote. **(Vote: 7/0/0/0).**

1101, do we have a motion? **(1101 •• Amending the 2005 Operating Budget and transferring funds for the purchase of an Echo Doppler Machine for John T. Mather Memorial Hospital).**

LEG. O'LEARY:

Motion to approve.

LEG. ALDEN:

Motion to table.

LEG. MONTANO:

I'll second the motion to table.

CHAIRMAN CARACCILOLO:

I have a motion and a second to table. All in favor? Opposed? Abstentions? Unanimously **tabled. (Vote: 7/0/0/0)**

1106, is there a motion? **(1106 •• Amending the 2005 Operating Budget and transferring funds to the Amityville Chamber of Commerce for improvements to the Amityville Police/Firefighter Memorial. Same motion, same second, same vote. (Vote: 7/0/0/0)**

1114. **(1114 •• Amending the 2005 Operating Budget and transferring funds for the Suffolk County Police Department Mastic Beach Sub•Station.**

LEG. O'LEARY:

Motion to approve.

CHAIRMAN CARACCILOLO:

Second by the Chair. All in favor? Opposed? Abstentions? Unanimous. **(Vote: 7/0/0/0)**

1120, is there a motion? **(1120 •• Amending the 2005 Operating Budget and creating 44 positions in the Department of Social Services and transferring funds to fill the positions effective July 1, 2005.**

LEG. O'LEARY:

Motion to table.

CHAIRMAN CARACCILOLO:

Motion to table by Legislator O'Leary. Second by Legislator Carpenter. All in favor? Opposed? Abstentions? List me as opposed. **(Vote: 6/1/0/0 Opposed: Legislator Caracciolo)**

1125. **(1125 •• Amending the 2005 Operating Budget to transfer funds from the Suffolk County Water Protection Fund (477) Reserve Fund to the Town of Southampton for "Restoration of Hard Clam Populations in Quantuck Bay". I know the County Attorney's Office wanted to address the committee on this, so kindly come up, Jaclyn.**

MS. CAPUTI:

I haven't spoken to the sponsor recently but we did advise him in the past that the current drinking water protection program doesn't authorize transfer of 477 funds to a town, which is what is proposed under this resolution. So we feel that this resolution should not be passed at this time. It would be invalid.

CHAIRMAN CARACCILOLO:

I make a motion to **table**. Second by Legislator O'Leary. All in favor? Opposed? Abstentions? Unanimous. **(Vote: 7/0/0/0)**

We have a motion on **1129 to discharge without recommendation** by Legislator Carpenter. **(1129 •• Amending the 2005 Operating budget to streamline and consolidate County government by eliminating the proposed separate Department of Environment and Energy).** Second by Legislator O'Leary. All in favor? Opposed? Abstentions? Unanimous. **(Vote: 7/0/0/0)**

1140, motion to **table** by the Chair for the same reasons I believe the County Attorney addressed in 1125. **(1140 •• Repealing an Unfair Home Heating Fuel Nuisance Tax on Suffolk County Homeowners.)** All in favor? Or similar reasons. All in favor? Opposed? Abstentions? 1140. We already did 1125. We're up to 1140.

LEG. ALDEN:

1140 has nothing to do with 1125.

CHAIRMAN CARACCILOLO:

Oh, I stand corrected. I'm sorry. I had a note that the County Attorney wanted to address the committee on this so I was mixing oranges with apples. Sorry. Counsel, you want to come back up? 1140, the home heating oil. We need it on the record.

MS. CAPUTI:

I spoke to Ms. Knapp earlier and I thought she had indicated that it was going to be tabled, if that's the intention then ••

LEG. ALDEN:

Well, let's see what her vote is on it first.

MS. CAPUTI:

I'm sorry. I thought was still being worked on or something and that ••

CHAIRMAN CARACCILOLO:

Okay. What is the sponsor's wishes? You want to make a motion to approve?

LEG. O'LEARY:

Motion to table.

CHAIRMAN CARACCILOLO:

Motion to table by the Chair •• I mean by Legislator Alden. Second by the Chair. All in favor? Opposed? You're not making it?

LEG. O'LEARY:

I made the motion to table.

CHAIRMAN CARACCILOLO:

Motion by Legislator O'Leary, second by Legislator Losquadro, to table. All in favor? Opposed?

LEG. ALDEN:

Opposed.

CHAIRMAN CARACCILOLO:

Legislator Alden is opposed. Abstentions? Carried. **Tabled. (Vote: 6/1/0/0 Opposed: Legislator Alden).**

1174. (1174 •• Amending the 2005 Operating Budget and transferring funds from the General Capital Reserve Fund to appropriate funds for the Community College Tuition Assistance Program for volunteer ambulance workers).

LEG. LINDSAY:

I make a motion.

CHAIRMAN CARACCILOLO:

Motion by Legislator ••

LEG. LINDSAY:

Lindsay.

CHAIRMAN CARACCILOLO:

I know. To approve?

LEG. LINDSAY:

To approve.

CHAIRMAN CARACCILOLO:

To approve.

LEG. O'LEARY:

I'll second.

CHAIRMAN CARACCILOLO:

Okay. What is the financial impact of this program? What's the offset? Fifty•thousand dollars will be transferred from the General Fund to the departments of FRES. There is no additional financial impact. So it's \$50,000? Is that the impact?

MS. VIZZINI:

That's correct, transferred to FRES for the tuition for the volunteers.

CHAIRMAN CARACCILOLO:

Is transferred from the General Fund.

MS. VIZZINI:

Correct.

CHAIRMAN CARACCILOLO:

So it is an interfund transfer.

MS. VIZZINI:

Well, FRES is in the General Fund. So, it's within the same fund.

CHAIRMAN CARACCILOLO:

Correct. Okay. Motion, second ••

LEG. ALDEN:

On the motion.

CHAIRMAN CARACCILOLO:

On the motion.

LEG. ALDEN:

I am making an assumption here and that's bad when you have to do that. As attorney you don't want to do that. If we're going to transfer this money to FRES, what other uses can they have aside from doing a Community College Tuition Assistance Program reimbursement? Can they not spend the money for that? Can they spend it? What happens if they don't spend all \$50,000? Does it just go into the General Fund? Do they buy more equipment with it? What the implications and ramifications?

CHAIRMAN CARACCILOLO:

I think Legislator Alden's question is, is this a targeted amount for a targeted program or can it be tapped and used for other purposes? Maybe Counsel can answer that question.

MS. VIZZINI:

Actually, the money is being transferred from pay•as•you•go to FRES. If FRES doesn't expend it, it would go to the General Fund fund balance.

LEG. ALDEN:

But here is a problem. When money goes into any department, there is a certain amount of money that they can just •• you know, they can disregard line item and they can use it for

other purposes. What is that percentage, 15 percent, whatever?

MS. VIZZINI:

The County Executive's Office could move a budget modification to 10% of the monies in a particular department. Anything more than that would require a resolution.

LEG. ALDEN:

So this is less than 10%. I'm making a guess. Fifty•thousand dollars is less than ten percent.

MS. VIZZINI:

Yes.

LEG. ALDEN:

So this could actually be used for anything even though there is a restrictive covenant in the resolution itself. Our laws and our Charter allows us to move that money around. And now I'll just throw it back to Legislative Counsel. Do you think that last resolved clause protects us from the moving of the money for any other purpose other than what we're putting it in there for right now.

MS. KNAPP:

You correctly point out that the Charter allows the County Executive to move money in an amount that probably, I mean, I don't know their whole budget, but this probably would be under the limit of what he could move by his authority and to the extent that this second resolved clause is in a resolution as opposed to a Charter Law. We certainly couldn't override his ability to do that by virtue of this resolution. However, I believe that, you know, the sponsor's intent was very clear here. And I think that the reason that this language is included and it is rarely included in ordinary budget Operating Budget modifications, was to make the Legislative intent very clear. However legally he could probably move the money;

LEG. ALDEN:

I applaud the sponsor for trying to do this and it is a worthy cause, but as we have all seen in the past, you know, it has not always been our intent carried out by the County Executive. So, with that word of caution I will be voting yes for it, but I'm going to keep an eye on some of these things.

CHAIRMAN CARACCILOLO:

We have several other questions. But while I recognize Legislator Carpenter for a question, could Budget Review tell us on the pay•as•you•go account what was budgeted and what has been allocated so as far? Take a minute to do that and Legislator Carpenter has some ••

MS. VIZZINI:

I have that.

CHAIRMAN CARACCILOLO:

Oh, you have it readily available?

MS. VIZZINI:

Yes. We adopted 11.7 million in 2005. We've expended \$100,000. There are some resolutions laid on the table that would draw that down to ten million three.

CHAIRMAN CARACCILOLO:

Okay. Legislator Carpenter.

LEG. CARPENTER:

On this particular resolution, this was a program that was initiated in the Legislature and I do believe it was not funded. FRES is administering the program. Anyone that wants to apply for it has to go through FRES. They've set up a whole procedure for it and I think this is just simply us funding something that was our initiative.

CHAIRMAN CARACCILOLO:

Okay. Legislator Montano.

LEG. MONTANO:

Yeah, actually I think the question that I had may have been answered. Just by way of background, the resolution states that in 2002 we established the Community College Tuition Assistance Program. How much money, if any, has been put into that program, whether it be 2002, 2003 or 2004, and how much has been expended? Or is this the first time that money is going into that •• into this particular item? Just by way of background, so I know.

MS. VIZZINI:

I don't have the details. I believe that we've •• this is not the first time that we've included a sum of this amount for that program, but I would have to get you the detail from the department.

LEG. MONTANO:

Okay. So, if we included money in the past for this particular item, would we know how much was expended on this item or as I am understanding that there is a possibility that money from this item could have been moved somewhere else, expended, but not necessarily for the purpose that it was included into the budget. Is that accurate? Is my understanding accurate?

MS. VIZZINI:

The department can provide us with the detail in terms of what has been expended, but if for some reason such as people did not apply or they didn't spend the money for some explainable reason, it is possible that what was left in the program would have gone to fund balance. Or, could have been transferred via resolution in one of our housekeeping resolutions. We can certainly do the research for you.

LEG. MONTANO:

Do we know how may or what dollar amount was used for this purpose, the Tuition Assistance Program, in the past? Do we have those figures or is that particularly within the department?

MS. VIZZINI:

Well, based on what we have available to us, in 2003 the actual expenditure was \$4,201. For 2004 we also adopted \$50,000. 2004 we only have the estimates, we don't have the actual expenditures. We'll have to get that number. And again, for ••

LEG. MONTANO:

What's the estimate?

MS. VIZZINI:

Well, the estimate was that they were going to spend the whole thing, 50,000. I'd like to also point out to you that the 2005 adopted budget has \$50,000 in FRES for •• in this particular line item.

LEG. MONTANO:

Now it has.

MS. VIZZINI:

That's correct.

LEG. MONTANO:

So we're adding additional 50.

MS. VIZZINI:

That's correct.

LEG. MONTANO:

We don't know that we spent 50 last year, though, right? We're estimating that?

MS. VIZZINI:

We have to get the 2004 expenditures. We don't have that.

LEG. ALDEN:

Motion it table.

CHAIRMAN CARACCILO:

Legislator Lindsay.

LEGISLATOR LINDSAY:

Gail, I want to go back to something that you just said. So we're increasing the allotment to \$100,000? It was 50?

MS. VIZZINI:

This is in a •• it's in a 477 line item or it's not detailed already in that specific line item, this \$50,000. I would have to go back to the detail to see if ••

LEG. LINDSAY:

For scholarships for emergency workers?

MS. VIZZINI:

I would have to go back to the budget request and make sure what that's for. I don't have the detail.

CHAIRMAN CARACCILOLO:

We have a motion to table which takes precedence. I'll second it.

LEG. MONTANO:

I'll second.

LEG. CARPENTER:

On the motion. I would just suggest that ••

CHAIRMAN CARACCILOLO:

Legislator Montano.

LEG. MONTANO:

Just to get more information.

LEG. CARPENTER:

Well, to get more information perhaps we can just discharge without recommendation and get it to the floor and have that by a week from Tuesday.

CHAIRMAN CARACCILOLO:

I think the prudent thing is to get the information then act on the resolution. So, motion to table takes precedence made by Legislator Alden, second by Legislator Montano. All the in favor? Oppose? Abstentions? One opposed. Two Opposed. **(Vote: 5/2/0/0 Opposed: Legislators Caracciolo and O'Leary)**

CHAIRMAN CARACCILOLO:

Tabled sense resolution. **(S.005 Sense of the Legislature resolution in opposition to the elimination of the Federal tax deductibility of state and local taxes).** Motion by the Chair to approve. Second by Legislator Lindsay.

LEG. ALDEN:

On the motion. Just question to Counsel. Was some language removed from this recently?

MS. KNAPP:

I believe it was, but there were several of these and let me just check the actual •• five, right. Yes.

LEG. ALDEN:

Okay. Thank you.

CHAIRMAN CARACCILOLO:

Yes is deleted. That is correct, right Counsel?

MS. KNAPP:

Yes.

CHAIRMAN CARACCILOLO:

Yes. Okay. So motion to approve, second by Legislator Lindsay. All in favor? Opposed? Abstentions? **Approved. (Vote: 7/0/0/0).**

Home Rule 1. **(HR•01 Home Rule Message requesting New York State Legislature to extend the one•quarter cent sales tax program to allow Suffolk County to continue to collect an additional sales tax until December 31, 2005.** Motion to table.

LEG. LOSQUARDRO:

Second.

CHAIRMAN CARACCILOLO:

Seconds by Legislator Losquadro. All in favor? Opposed? Abstentions? Unanimous. **(Vote: 7/0/0/0).**

IR 1200. (1200 •• To readjust, compromise, and grant refunds and charge•backs on

real property correction of errors by: County Legislature (Control # 729•2005).

Motion by the Chair, second by Legislator Losquadro. All in favor? Opposed? Abstentions?

LEG. LOSQUADRO:

And place on consent calendar.

CHAIRMAN CARACCILOLO:

And place on the consent calendar. Good idea. **Approved. (Vote: 7/0/0/0)**

Same motion for 1201. **(1201 •• To readjust, compromise, and grant refunds and chargebacks on correction of errors/County Treasurer by: County Legislature #209.)**

Same second, same vote. Consent calendar. **(Vote: 7/0/0/0)**

1202. **(1202 •• To readjust, compromise, and grant refunds and chargebacks on real property correction of errors by: County Legislature (Control # 731•2005).** Same motion, same second. Consent calendar. All in favor? Opposed? Abstentions? Unanimous. **(Vote: 7/0/0/0)**

1203. **(1203 •• To readjust, compromise, and grant refunds and chargebacks on real property correction of errors by: County Legislature (Control #732•2005).** Same motion, same second. Place on the consent calendar. All in favor? Opposed? Abstentions? Unanimous. **(Vote: 7/0/0/0)**

1204. **(1204 •• To readjust, compromise, and grant refunds and chargebacks on real property correction of errors by: County Legislature (Control #730•2005).** Same motion, same second. Place on the consent calendar. All in favor? Opposed? Abstentions? Unanimous. **(Vote: 7/0/0/0)**

1314. **(1314 •• Adopting a Fiscally Responsible, Prudent, and Affordable Energy Tax Reduction Plan).** Is there a motion?

LEG. O'LEARY:

Motion to table.

CHAIRMAN CARACCILOLO:

Motion to table by Legislator O'Leary.

LEG. ALDEN:

I'd be opposed to tabling, but I have a couple of questions, actually.

CHAIRMAN CARACCILO:

To who?

LEG. ALDEN:

Just I notice one thing on here that I need a little clarification on. It's a corporate subsidy and it's referenced to •• maybe you would know, Bob. One of the offsets is eliminating corporate subsidy. I would like to know what that corporate subsidy is, because that has a bad connotation, you know, corporate subsidy.

MR. BORTZFIELD:

I believe it has to do with the debt service on the hospital on •• Southside Hospital.

CHAIRMAN CARACCILO:

Is that like corporate welfare?

LEG. ALDEN:

Wait a minute, though. The debt service on Southside Hospital •• you mean for the Bay Shore Health Center?

MR. BORTZFIELD:

Well, the Bay Shore Health Center hasn't been decided to go Southside Hospital I guess, but it is for Southside Hospital.

LEG. ALDEN:

This is just a straight subsidy to Southside Hospital?

MR. BORTZFIELD:

It's a line item that's included in the budget for Southside Hospital.

LEG. ALDEN:

For what purpose is Southside Hospital, just corporate welfare? Because that is something that really should be impermissible.

MR. BORTZFIELD:

Specifically I don't know, you know, what exactly it was for.

CHAIRMAN CARACCILOLO:

Motion to table.

LEG. ALDEN:

No, no, no. I'm not sure we need to table it. I'd like to find out ••

CHAIRMAN CARACCILOLO:

We have a motion, though, and that takes precedence right now. There is a motion and a second. All in favor?

LEG. ALDEN:

On the motion.

LEG. MONTANO:

I made the motion to table.

CHAIRMAN CARACCILOLO:

Montano.

LEG. ALDEN:

Maybe we have go to Robert. Robert, specifically the money that was just identified as a corporate subsidy to Southside Hospital, it is in the budget line? We are just giving them almost a million dollars for nothing?

MS. VIZZINI:

We don't have the detail on the resolution. But it's my recollection that this was the debt

service that was added in the omnibus in anticipation of a •• in the event we move forward on a Bay Shore Health Center.

LEG. ALDEN:

Oh, so this is •• this isn't just a gimme to Southside Hospital, we're not just giving them cash. I need a clarification on that before I even vote on this.

LEG. LINDSAY:

Can I add something?

LEG. ALDEN:

Sure.

LEG. LINDSAY:

The only thing that I remember in the capital budget, and it wasn't in this year's capital budget, it was in future years, a financial plan to finance the Southside expansion, in return that we'd have a health center located there.

CHAIRMAN CARACCILOLO:

That was subject to approval which was not received.

LEG. LINDSAY:

Right. It was subject to a number of approvals, but that's the only debt service that I would recall. I don't know why it's in this year's.

CHAIRMAN CARACCILOLO:

Well, maybe we can get some clarification.

MS. VIZZINI:

I'm going to defer to the Budget Office because I don't have the detail on the resolution.

MR. BORTZFIELD:

Apparently it's not debt service. It was money that was put in the operating budget for the Southside Hospital with the projection that, you know, that the health center would be done through Southside Hospital.

LEG. ALDEN:

Okay. So we are not just giving Southside Hospital a million bucks.

MR. BORTZFIELD:

I don't think we are giving them anything at this stage of the game, no.

LEG. ALDEN:

Okay. But this •• the intention for and the line that you ••

MR. BORTZFIELD:

I can't answer to intention because it was put in by the Legislature, this money for Southside Hospital.

CHAIRMAN CARACCILOLO:

Who's the sponsor?

LEG. ALDEN:

Me if this is what we are referring to. But if we are not referring to the Southside •• and it was money to go to either the capital side of it to pay off debt if we decided to built it, or if we have to rent some property for the Bay Shore Health Center, that's what that money that I put in the budget was intended for. But if we have another subsidy somewhere in the budget where we are just giving Southside Hospital corporate welfare in the amount of a million dollars •• but then I would say that, you know, like I'm a little upset with the labeling of this. Eliminating a corporate subsidy. If this is intended, if it's mine that you are talking about eliminating, to reestablish the Bay Shore Health Center ••

CHAIRMAN CARACCILOLO:

Are we talking 1314? It's County Executive resolution.

LEG. ALDEN:

Yes, and your intention is to eliminate the funding for the Bay Shore Health Center to pay for

that.

MR. BORTZFIELD:

To eliminate funding this year if it was given to the Bay Shore Health Center.

CHAIRMAN CARACCIOLO:

Motion to table and a second. All in favor? Opposed?

LEG. ALDEN:

Opposed to tabling.

CHAIRMAN CARACCIOLO:

One opposed. Carries. **(Vote: 6/1/0/0 Opposed: Legislator Alden.)** It's tabled.

Is there any other business before the committee? Hearing none, the Chair makes a motion to adjourn. Second by Legislator Carpenter. All in favor? Opposed? Carried.

(THE MEETING WAS ADJOURNED AT 11:28 AM)